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2	Nevada Bar No. 8559 McCormick, Barstow, Sheppard	
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4	Las Vegas, NV 89113 Telephone: (702) 949-1100	
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6	and J. Anthony Carozza, Esq. (Admitted Pro Hac Vice)	
7	Nevada Bar No. #6277225 Bollinger, Ruberry & Garvey	
8	500 West Madison Street Suite 2300	
9	Chicago, Illinois 60661 Telephone: (312) 466-7295	
10	Facsimile: (312) 466-8055 Tony.carozza@rsg-law.com	
11	Attorneys for Defendants, LINCOLN GENERAL INSURANCE COMPANY	
12	UNITED STATES DIST	PRICT COURT
13	DISTRICT OF N	
14	WILSON LOGISTICS NEVADA, INC.; TEMPLE INSURANCE COMPANY, individually;	Case No. 2:11-CV-00225-KJD-PAL
15	TEMPLE INSURANCE COMPANY, as subrogee of Wilson Logistics Nevada, Inc.; SCOTTISH &	
16	YORK INSURANCE COMPANY, individually; SCOTTISH & YORK INSURANCE COMPANY,	STIPULATION AND PROPOSED
17	as subrogee of Wilson Logistics Nevada, Inc.; LLOYD'S OF LONDON, individually; LLOYDS	ORDER FOR STAY PENDING MEDIATION
18	OF LONDON, as subrogee of Wilson Logistics Nevada, Inc.; EMPLOYERS REINSURANCE	-1-
19	CORPORATION, individually; EMPLOYERS REINSURANCE CORPORATION, as subrogee of Wilson Logistics Nevada, Inc.,	
20	Plaintiffs,	
21	VS.	
22	LINCOLN GENERAL INSURANCE	
23	COMPANY; WALSHIRE ASSURANCE COMPANY; KINGSWAY AMERICA, INC.; and	
24	KINGSWAY FINANCIAL SERVICES, INC.	
25	Defendants.	
26		
27		ODOGED ODDED
28	STIPULATION AND PRO	OPOSED ORDER

FOR STAY PENDING MEDIATION

Plaintiffs and defendant Lincoln General Insurance Company (hereinafter "Lincoln General"), by and through their respective attorneys and for their STIPULATION AND PROPOSED ORDER FOR STAY PENDING MEDIATION state as follows:

- 1. As this court is aware, this matter previously involved multiple parties and it has been alleged by Plaintiffs that Lincoln General acted in bad faith and breached various duties it owed to Plaintiffs by not settling a claim for one their mutual insureds within Lincoln General's policy limits, the result of which, was that Plaintiffs contributed to the settlement of the underlying matter. Plaintiffs seek to recover from Lincoln General, the only remaining defendant, an amount in excess of \$4,000,000.
- 2. Presently, the last date to complete discovery is September 14, 2012; the last date to file dispositive motions is October 12, 2012; and the Joint Final Pretrial Order is to be filed by November 14, 2012. (Doc. # 60).
- 3. As this Court may be aware from the written submissions on the previously granted Motions to Dismiss of Walshire Assurance Co., Kingsway America Inc., and Kingsway Financial Services Inc., Lincoln General is a Pennsylvania insurance company. Since February of 2009 Lincoln General has been in "runoff". As set forth on Lincoln General's website,

Lincoln General Insurance Company ("Lincoln") has been in "runoff" since February 2009. As such, and subject to certain statutory and/or legal exceptions, Lincoln ceased writing new policies in or around February 2009. In addition, Lincoln is currently working with the Pennsylvania Department of Insurance in an effort to satisfy remaining obligations and liabilities.

. . .

Based in whole, or in part, on Lincoln's financials, twenty-six (26) states have made findings resulting in formal suspensions of Lincoln's Certificates of Authority. As of April 12, 2011, these states included Alabama, Alaska, Arkansas, California, Colorado, Florida, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New York, North Dakota, Ohio, Oregon, South STIPULATION AND PROPOSED ORDER FOR STAY PENDING MEDIATION

Carolina, Tennessee, Virginia, Washington, West Virginia, and Wyoming.

(See "Runoff Announcement" attached hereto and incorporated herein as Exhibit "A").

- 4. Shortly before Lincoln General going into "runoff", Lincoln General's surplus was \$79,227,960. (*See* Exhibit "A").
- 5. Since that time and as reflected in Lincoln General's March 31, 2012, Quarterly Statement, Lincoln General's surplus has significantly diminished. In fact, Lincoln General's' March 31, 2012, Quarterly Statement reflects a surplus of only \$1,591,548. (See Lincoln General's March 31, 2012, Quarterly Statement attached hereto and incorporated herein as Exhibit "B").
- 6. Based on the above, counsel for Plaintiffs and Lincoln General in the recent past met in person to discuss the financial wherewithal of Lincoln General and the issue of whether Lincoln General will ultimately be able to satisfy a judgment should Plaintiffs obtain same¹.
- 7. In light of the information received regarding Lincoln General's financial condition at said meeting, it was agreed between the parties that a settlement mediation may be fruitful in reaching some type of resolution to the instant matter. Since that time the parties have agreed on a mediator and have confirmed a mediation date of September 10, 2012.
- 8. Accordingly, as further set forth below, the parties seek to stay the proceedings until such time that they are able to mediate the matter and determine whether settlement is possible.

¹ Although Lincoln General has, and continues, to deny that Plaintiffs are entitled to any recovery from Lincoln General, Plaintiffs' Complaint seeks to recover approximately \$4 million from Lincoln General.

- 9. When considering a motion to stay proceedings, a court looks at factors comprising a three-part test:
 - 1) whether a stay would unduly prejudice the non-moving party or allow for a tactical advantage for the moving party;
 - 2) whether a stay will simplify the issues in the case at trial; and
 - 3) whether discovery has commenced, or is almost complete and whether a trial date has been set.

(See Computerized Screening Inc., v. Lifeclinic International, Inc., 2010 U.S. Dist. LEXIS 93072 (D. Nev. 2010) and Wireless Spectrum Techs., v. Motorola Corp., 57 U.S.P.Q. 2d 1662, 1663 (N.D. Ill. 2001)).

- 10. In the instant matter all three elements favor the stay requested herein.
- 11. Here, the instant motion is presented as an agreed stipulation between the parties.

 Accordingly, as all of the interested parties agree to the relief requested herein, the issues of undue prejudice or allowing for a tactical advantage for the moving party are rendered moot, and favor the entry of a stay.
- 12. Furthermore, the requested stay will simplify the issues should a trial be necessary. As the stay being requested is for the parties to mediate the matter with the goal of reaching a settlement of all of the pending claims, the mediation may result in a total resolution of the matter which would obviate the need for any trial.
- 13. The third factor to be considered also favors a granting of the stay. In this matter although the parties have conducted a significant amount of discovery and no trial date has been set, it is evinced by the potentially 18 depositions to be taken that significant discovery remains.
- 14. Although a substantial amount of written and oral discovery has been completed, there remains additional document production and approximately 18 potential depositions to be taken.

- 15. Based on the discovery conducted to date, the facts and issues which will ultimately be set before the Court and jury at the trial of this matter have been clarified. The parties agree that going forward there will be significant time and expense required to complete the remaining discovery, prepare and present dispositive motions and prepare the matter for trial. The expense of conducting this discovery will necessarily weaken the ability of Lincoln General to satisfy the outcome of a trial or other resolution of this matter².
- 16. Should this matter not be resolved the parties anticipate that the following depositions will also be taken:
 - a.) The parties have agreed to depose Counsel for the excess carriers;
 - b.) The underlying defense counsel;
 - c.) The depositions of Plaintiffs employees and/or representatives Andrea Cahill, Mark Royko, Keith Batten, Adam Payne, Daniel Capuccio, and Stella Capelluto have also been requested;
 - d.) Also to be taken are the 30(b)(6) of both Plaintiffs and Defendant (these deponents are located throughout North America and Europe);
 - e.) Another deposition which Defendant has subpoenaed is that of Peter Christiansen, who also served as counsel for Plaintiff in the underlying matter (this deposition will proceed in Nevada); and
 - f.) The parties will also take the depositions of their respective experts (located in Wisconsin and Pennsylvania).
- 17. The parties respectfully submit that at this juncture in an effort to dispose of the entire matter via settlement rather than expend additional time and expense on completing the above outlined discovery, that they be granted a stay to mediate the matter.

² Lincoln General has, and continues, to deny that Plaintiffs are entitled to any recovery from Lincoln General.

18. Accordingly, the parities respectfully request that the discovery deadline of September 14, 2012, the dispositive motion deadline of October 12, 2012, and the November 14, 2012, date by which to file the joint pretrial order as outlined in the June 22, 2012, Scheduling Order (Doc. #60), be stayed pending the September 10, 2012, mediation.

WHEREFORE, Plaintiffs and Lincoln General Insurance Company move this Honorable Court to enter an order staying the matter, striking the current deadlines and set the matter for a status on mediation following September 10, 2012, and for any other relief as the Court deems necessary and just.

Dated: August 22, 2012

Respectfully submitted,

By: /s/ Nick Sideris Nick Sideris (pro hac vice) Ruberry, Stalmack & Garvey, LLC 500 West Madison Street, Suite 2300 Chicago, IL 60661 Tel. No. 312.466.7295 Fax No. 312.466.8001 Attorneys for Lincoln General **Insurance Company**

By:/s/Matthew S. Sollitto
Matthew S. Sollitto Nevada Bar # 10993
One of Plaintiff's Attorneys
CLAUSEN MILLER P.C.
10 South LaSalle Street
Chicago, IL 60603
Telephone: 312-855-1010
Facsimile: 312-606-7777

ORDER 1 2 Good cause appearing, 3 4 IT IS HEREBY ORDERED: 5 a. The discovery deadline of September 14, 2012, is stayed pending the mediation currently set for September 10, 2012; 6 b. The dispositive motion deadline of October 12, 2012, is stayed pending the mediation currently set for September 10, 2012; 8 The November 14, 2012, date by which to file the joint pretrial order is stayed 9 pending the mediation currently set for September 10, 2012; and 10 d. This matter is hereby referred to U.S. Magistrate Judge Peggy A. Leen for the scheduling of a status conference. 11 12 13 September 12, 2012 DATED: 14 15 16 KENT J. DAWSON 17 UNITED STATES DISTRICT JUDGE 18 19 20 21 22 23 24 25 26 27

incoln General

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Announcement

Status Report on LGIC Runoff - March 2012

March 19, 2012: This web page has been updated with the most recent financial information for LGIC.

Lincoln General Insurance Company ("Lincoln") has been in "runoff" since February 2009. As such, and subject to certain statutory and/or legal exceptions, Lincoln ceased writing new policies in or around February 2009. In addition, Lincoln is currently working with the Pennsylvania Department of Insurance in an effort to satisfy remaining obligations and liabilities.

With that background, we refer you to Lincoln's most recent financial statements. which are available at www.lincolngeneral.com/reports/statements.aspx

You will note that, as of December 31, 2008, which was just prior to Lincoln entering run-off in February 2009, Lincoln's surplus was \$79,227,960. (See the Annual Statement 2008, dated December 31, 2008, page 4 Line 39.)

As of December 31, 2011, Lincoln's surplus (on its discounted balance sheet) was \$2,854,963. (See the Annual Statement 2011, dated December 31, 2011, page 4 Line 39.)

As of March 31, 2012, Lincoln's surplus (on its discounted balance sheet) was \$1,591,548. (See the First Quarter Statement 2012, dated March 31, 2012, page 4 Line 39.)

Based in whole, or in part, on Lincoln's financials, twenty-six (26) states have made findings resulting in formal suspensions of Lincoln's Certificates of Authority. As of April 12, 2011, these states included Alabama, Alaska, Arkansas, California, Colorado, Florida, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New York, North Dakota, Ohio, Oregon, South Carolina, Tennessee, Virginia, Washington, West Virginia, and Wyoming.

Orders issued by some of these states include the following language:

• Arkansas Order of Suspension - March 24, 2010

Regulators suspended Lincoln General's Certificate of Authority due to a "financially hazardous condition."

www.lincolngeneral.com/orders/Arkansas Order of Suspension 2010-03-24.pdf

EXHIBIT

California Cease and Desist Order - May 26, 2010

"Lincoln is insolvent within the meaning of California Insurance Code §985 since it is unable to meet each and every one of its financial obligations."

www.lincolngeneral.com/orders/California Cease and Desist Order 2010-05-26.pdf

North Dakota Temporary Order Suspending COA -February 23, 2010

"This is a substantial decrease in surplus in just one year. This renders Respondent's further proceedings hazardous to its policyholders... Respondent is in an unsound condition."

www.lincolngeneral.com/orders/North Dakota Temporary Order 2010-02-23.pdf

• Oregon Suspension Order - March 17, 2010

"LGIC did not maintain at least \$5,000,000 in capital and surplus, or any combination thereof, as required by ORS 731.554(2)... LGIC did not comply with the minimum capital and surplus requirement of ORS 731.554 for a certificate of authority."

www.lincolngeneral.com/orders/Oregon Suspension Order 2010-03-17.pdf

Washington Consent Order Suspending COA - March 30, 2010

"On March 18, 2010, OIC gave notice to LGIC of its intent to revoke Certificate of Authority No. 1950, based upon LGIC's failure to maintain minimum statutory capital and surplus... LGIC is in a hazardous financial condition according to the standards contained in WAC 284-16-310... the Insurance Commissioner will issue this Consent Order that: ... requires LGIC to promptly and properly settle all claims arising from policies issued in this state or covering property interests wholly or partially located in this state..."

www.lincolngeneral.com/orders/Washington Consent Order Suspending COA 2010-03-30.pdf

As noted above, certain state regulators have concluded that Lincoln is: in "hazardous financial condition," in an "unsound condition," or "insolvent" within the meaning of varying state statutes. In addition to these statemandated suspensions, Lincoln entered into voluntary agreements to cease writing in seven (7) additional states. As of April 12, 2011, these states included Connecticut, Massachusetts, Michigan, New Hampshire, New Jersey, Texas and Vermont.



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2012 OF THE CONDITION AND AFFAIRS OF THE

Lincoln General Insurance Company
NAIC Group Code 4753 NAIC Company Code 33855 Employer's ID Number 29-2023242

	(Current) (F	rior)				
Organized under the Laws of	Pennsy	vania	, State of Domicile or Port of	Entry	Pennsylvania	
Country of Domicile		United State	s of America			
Incorporated/Organized	03/17/1977		Commenced Business		05/13/1977	
Statutory Home Office	3501 Concord	Road		York , PA 1740	12-0136	
	(Street and Nu		(6	City or Town, State a		
Main Administrative Office		3501 Con	cord Road			
			d Number)			
(Chu	York , PA 17402-0136 or Town, State and Zip Code)		. +	717-757-00		
			(Area Code) (Teleph	one Number)	
Mail Address	P.O. Box 3709 (Street and Number or P.0) Baul	. +	York , PA 1740		
	(oneer such talkinger or ha	J. 80x)	(6	City or Town, State a	and Zip Code)	
Primary Location of Books and I	Records		cord Road			
	York , PA 17402-0136	(Street an	d Number)	747 757 00	•	
(City	or Town, State and Zip Gode)		. '	717-757-00 Area Code) (Teleph		····
Internet Web Site Address			general.com			
Statutory Statement Contact	Kara		93397410911	747 72	57-0000	
•	(Name)	······································		elephone Number)	
kar	en.groff@lincolngeneral.com		, 1	717-757-79	901	····
	(E-mail Address)			(FAX Numb	oer)	
		OFFI	CERS			
Chief Executive Officer		Orndorff	Corporate Secretary		Albert Bernard Miller	
Chief Financial Officer	Charles Willia	m Basta	-			
		ОТІ	HER			
Charles William B	asta Treasurer	Aaron Steven Levine	Assistant Vice President	Albert Berna	rd Miller Assistant Vice	President
			OR TRUSTEES			
Marvin Da	vld Mohn		rederick Bank		Norris William Clark	
Joshua Sco		Stewar	t Alan Keir		Paul Martin Mooney	
Gary Joseph	n Omaoni					····
Di	Barrier Karat					
State of County of	Pennsylvania York	— ss:				
Obanty of	1016					
The officers of this reporting ent all of the herein described assestatement, together with related condition and affairs of the said in accordance with the NAIC Arules or regulations require direspectively. Furthermore, the exact copy (except for formattin to the enclosed statement.	est were the absolute property exhibits, schedules and explar reporting entity as of the repor nual Statement Instructions a liferences in reporting not reli- scope of this attestation by the	of the said reporting entity nations therein contained, a ting period stated above, a nd Accounting Practices a lated to accounting practic a described officers also be	y, free and clear from any lien annexed or referred to, is a full not of its Income and deduction and Procedures manual except es and procedures, accordin-	as or claims thereon and true statement is therefrom for the p to the extent that: (' g to the best of the	i, except as herein stated of all the assets and liabili- beriod ended, and have be 1) state law may differ; or eir information, knowled	, and that this lies and of the sen completed , (2) that state ge and belief,
Gary Joseph Orn Chief Executive C			illiam Basta ncial Officer a. Is this an original filir		Albert Bernard Miller Corporate Secretary	
Subscribed and sworn to before day of Amy Sue Pendleton Notary Public	me this		b. If no, 1. State the amenda 2. Date filed	nent number	Yes { X } No {	}
April 20, 2015						

EXHIBIT

Solution

Case 2:11-cv-00225-KJD-PAL Document 67 Filed 09/13/12 Page 11 of 45

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

ASSETS

Service				Current Statement Date)	4
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11. Aggregate write-inst for invested assets (9.		1		296, 144	279
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only) 114. Investment income due and accrued	1	· · · · · · · · · · · · · · · · · · ·	206,751,167	0	206,751,167	232,549,423
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deferred and not yet due (including \$,,,, 160,400		180,003	116,641,
Bernard but unbilled premiums 307, 305 307, 305 554, 110		· ·				
15.3 Accrued retrospective premiums			307,305	***************************************	307,305	554.110
16.1 Amounts recoverable from reinsurers		15.3 Accrued retrospective premiums		***************************************	0	0
16.2 Funds held by or deposited with reinsured companies	16.	Reinsurance:				
18.3 Other amounts receivable relating to uninsurance contracts					480,220	932,689
17. Amounts receivable relating to uninsured plans 18.1 Current lederal and foreign income tax recoverable and interest thereon 18.2 Not deferred tax asset 19.0 0 19. Guaranty funds receivable or on deposit 10.0 0 20. Electronic data processing equipment and software 12.081 9.834 2.247 2.917 21. Furniture and equipment, including health care delivery assets (\$) 3.41,975 3.41,975 0 22. Net adjustment in assets and liabilities due to foreign exchange rates 23. Receivables from parent, subsidiaries and affiliates 172,279 172,279 0 24. Health care (\$) and other amounts receivable 25. Aggregate write-ins for other than invested assets 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts, Clines 12 to 25) 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts 28. Total (Lines 28 and 27) 223,331,508 11,792,152 211,539,356 237,776,817 29. Total (Lines 28 and 27) 223,331,508 11,792,152 211,539,356 237,776,817 20. DETAILS OF WRITE-INS 20. DETAILS OF WRITE-INS 20. Details (Lines 11 to through 1103 plus 1198)(Line 11 above) 0 0 0 28. Total (Lines 26 and deposits in pools and associations 783,186 783				***************************************	0	0
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24. Health care (\$) and other amounts receivable 0 0 25. Aggregate write-ins for other than invested assets 4,408,901 3,104,517 1,304,384 1,287,303 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) 223,331,508 11,792,152 211,539,356 237,776,817 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts 0 0 0 28. Total (Lines 26 and 27) 223,331,508 11,792,152 211,539,356 237,776,817 DETAILS OF WRITE-INS 1101. 0 0 0 0 1102. 0 0 0 0 1103. 0 0 0 0 0 1109. 0 0 0 0 0 0 1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above) 0 0 0 0 0 2501. Equities and deposits in pools and associations 763,186 593,393 2502. Non Premium Receivable 269,128 269,128 551,579 2603. Prepaid Expense 3,224,075 3,099,075 <td< td=""><td>23.</td><td></td><td>172,279</td><td>***************************************</td><td></td><td>n</td></td<>	23.		172,279	***************************************		n
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Accounts	27.		220,031,005	11,192,102	211,539,306	237,776,817
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1101.	28.		223,331,508	11,792,152	211,539,356	237,776,817
1102.		DETAILS OF WRITE-INS				
1103.	1101.		14001-1-4	***************************************		
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2501. Equities and deposits in pools and associations 763,186 763,186 593,393 2502. Non Premium Receivable 269, 128 269, 128 251,579 2503. Prepaid Expense 3,224,075 3,099,075 125,000 0 2598. Summary of remaining write-ins for Line 25 from overflow page 152,512 5,442 147,070 142,331		, -				0
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2503. Prepaid Expense				***************************************		
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1540,1000 I	2599.	and the second of the second o		3, 104, 517	1,304,384	1,287,303

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Statement Date	2 December 31, Prior Year
	osses (current accident year \$	ŧ .	185,847,431
2. F	Reinsurance payable on paid losses and loss adjustment expenses	141,699	26,800
	oss adjustment expenses		36,709,757
	Commissions payable, contingent commissions and other similar charges	1 1	1,170,319
	Other expenses (excluding taxes, licenses and fees)		3,845,821
	axes, licenses and fees (excluding federal and foreign income taxes)	1	
	Current federal and foreign income taxes (including \$		
	let deferred tax liability		******************************
	Inearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 103,011 and		
	including warranty reserves of \$		
	including \$ for medical loss ratio rebate per the Public Health Service Act)	770 041	559.909
	dvance premium	1	
	Dividends declared and unpaid:		
	1.1 Stockholders		
	1.2 Policyholders		
	Seded reinsurance premiums payable (net of ceding commissions)		317.055
	unds held by company under reinsurance treaties		1,018,381
	Amounts withheld or retained by company for account of others) · · · · · · · · · · · · · · · · · · ·	1,666,561
	Remittances and items not allocated	3 1	
16. F	Provision for reinsurance	164,800	164,800
17. N	let adjustments in assets and liabilities due to foreign exchange rates		***********************
18, [Orafis outstanding		
19. F	ayable to parent, subsidiaries and affiliates		
20. C	Derivatives		
	ayable for securities		
	ayable for securities lending		
	lability for amounts held under uninsured plans		
	Capital notes \$ and interest thereon \$		
	Aggregate write-ins for liabilities		3,595,020
	otal liabilities excluding protected cell liabilities (Lines 1 through 25)		234,921,854
	Protected cell fiabilities		
	otal llabilities (Lines 26 and 27)		234,921,854
	logregate write-ins for special surplus funds		0
	Common capital stock		4,200,000
	Preferred capital stock	1	
	ggregate write-ins for other than special surplus funds		0
	Pross paid in and contributed surplus		
	Jnassigned funds (surplus)		
	ess treasury stock, at cost:	(497,203,492)	(456,020,037
	6.1shares common (value included in Line 30 \$		
	6.2 shares preferred (value included in Line 31 \$)		
	Surplus as regards policyholders (Lines 29 to 35, less 36)	1,591,548	2,854,963
	otais (Page 2, Line 28, Col. 3)	211,539,356	237,776,817
	DETAILS OF WRITE-INS		201,170,011
2501. 0	eposits by Insureds	3,014,928	3.331.523
2502. 0	ther Liabilities	263,497	263,497
2503.			0
2598. 5	Summary of remaining write-ins for Line 25 from overflow page		0
2599. T	otals (Lines 2501 through 2503 plus 2598)(Line 25 above)	3,278,425	3,595,020
2901			****************************
2902			***************************************

2998. S	Summary of remaining write-ins for Line 29 from overflow page		
2999. T	otals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	C
3201			******************
3202			
3203			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	Summary of remaining write-ins for Line 32 from overflow page		
3299. T	otals (Lines 3201 through 3203 plus 3298)(Line 32 above)	0	0

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

STATEMENT OF INCOME

		Current	2 Prior Year	3 Prior Year Ended
	UNDERWRITING INCOME	Year to Date	to Date	December 31
1.	Premiums earned:			
	1.1 Direct (written \$31,986)	(212,001)	2,333,060	4,565,710
	1.2 Assumed (written \$182,892)	238,461	370,911	1,450,982
	1.3 Geded (written \$40,456)	71,170	96,858	578,457
	1.4 Net (written \$	(44,710)	2,607,113	5,438,235
2.	Losses incurred (current accident year \$			
	2.1 Direct	(2.642.966)	898 711	149,290
		(134,146)		(7,081)
	2.3 Ceded		(693,996)	
	2.4 Net		3,521,458	3,704,409
3.	Loss adjustment expenses incurred		2,292,866	11,833,111
4,	Other underwriting expenses incurred		1,853,418	3,873,845
5. 6.	Aggregate write-ins for underwriting deductions Total underwriting deductions (Lines 2 through 5)		0	(1,606,381)
7.	Net income of protected cells		7,667,742	17,804,984
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(2 915 781)	(5,060,629)	(12,366,749)
	INVESTMENT INCOME			(12,300,143)
9.	Net investment income earned	1,094,458	1,984,523	6,277,690
10.	Net realized capital gains (losses) less capital gains tax of \$	(36,343)	1,693,887	1,665,530
11.	Net investment gain (loss) (Lines 9 + 10)	1,058,115	3,678,410	7,943,220
	OTHER INCOME			
\$2.	Net gain or (loss) from agents' or premium balances charged off (amount recovered			
13.	\$	24,394		(679,766)
14.	Aggregate write-ins for miscellaneous income	172,279	80	134
15.	Total other income (Lines 12 through 14)	196,673	1, 123,546	1,120,786 441,154
16.	Net income helpre dividends to policyholders, after capital pains tay and helpre all other federal			
	and foreign income taxes (Lines 8 + 11 + 15)	(1,660,993)	(258,673)	(3,982,375)
17.	Dividends to policyholders	***************************************		
18,	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(1 660 000)	(250 672)	(0.000.035)
19.	Federal and foreign income taxes incurred		(230,0/3)	(3,982,3/3)
20.	Net income (Line 18 minus Line 19)(to Line 22)	(1,660,993)	(258,673)	(3,982,375)
	CAPITAL AND SURPLUS ACCOUNT	7110010441	(1.00,070)	(0,002,010)
21,	Surplus as regards policyholders, December 31 prior year	2,854,963	3,380,107	3,380,107
22.	Net income (from Line 20)		(258,673)	(3,982,375)
23.	Net transfers (to) from Protected Cell accounts			***************************************
24.				(17,756)
25. 26.	Change in net unrealized foreign exchange capital gain (toss)			***************************************
27.	Change in net deferred income tax	907 870	(440, 400)	0.004.400
28.	Change in provision for reinsurance	010, 186,,		2,021,136
29.	Change in surplus notes			
30.	Surplus (contributed to) withdrawn from protected cells			***************************************
31.	Cumulative effect of changes in accounting principles			1,232,252
32.	Capital changes:			
	32.1 Paid in			
	32.2 Transferred from surplus (Stock Dividend)			
	32.3 Transferred to surplus			
33.	Surplus adjustments:			
	33.1 Paid in			0
	33.3 Transferred from capital			***************************************
34.	Net remittances from or (to) Home Office	***************************************	**************	***************************************
35.	Dividends to stockholders			***************************************
36.	Change in treasury stock		***************************************	0
37.	Aggregate write-ins for gains and losses in surplus	0	0	0
38.	Change in surplus as regards policyholders (Lines 22 through 37)	(1,263,415)	(403, 196)	(525, 143)
39.	Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,591,548	2,976,911	2,854,963
	DETAILS OF WRITE-INS			
0501.	Assigned Risk Service Carrier Fees			(1,606,381)
0502. 0503.				
0598.	Summary of remaining write-ins for Line 5 from overflow page		······	
0599.	Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)	0	 0	(1,606,381)
1401.	Service Fee Income	172,279	3	1,120,786
1402.				001, 431, 12
1403.			110111111111111111111111111111111111111	
1498.	Summary of remaining write-ins for Line 14 from overflow page	0,	0	
1499.	Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	172,279	3	1,120,786
3701.				0
3702.	A reference and the second			
3703. 3798.	Summary of remaining write-ins for Line 37 from overflow page			
3798. 3799.	Summary of remaining write ins for Line 37 from overflow page Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	0	00	0
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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations	10 0010	10 Date	December 31
1.		500, 134	4,299,704	7,754,481
2.		•	3,488,244	10,574,689
3.	Miscellaneous income	431,231	1, 123, 546	206,596
4.	Total (Lines 1 to 3)	2,314,485	8,911,494	18,535,766
5.	Benefit and loss related payments		30,454,507	119,525,394
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	· .
7.	Commissions, expenses paid and aggregate write-ins for deductions		15,983,049	
8.	Dividends paid to policyholders		0	
9.	Federal and foreign income taxes paid (recovered) net of \$ tax on capital			
	gains (losses)	0	0	
10.	Total (Lines 5 through 9)	27,107,554	46,437,556	\$70 407 467
11,	Net cash from operations (Line 4 minus Line 10)	(24,793,069)		170, 107, 457
,	The second secon	(24,780,009)	(37,526,062)	(151,571,691
	Cash from investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	3,300,241	107,581,955	216,929,050
		0		24,456
	12.3 Mortgage loans	0	0	
	12.4 Real estate	0	0	
	12.5 Other invested assets	0	0	
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(39, 155)	5,726	13,517
	12.7 Miscellaneous proceeds	0	7, 135, 855	326,054
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,261,086	114,747,992	217,293,077
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	0	12,683,831	36,603,226
	13.2 Stocks		0	0
	13.3 Mortgage loans	0	0	
	13.4 Real estate	3, 120	2.288	2.288
	13.5 Other invested assets		0	
	13.6 Miscellaneous applications	295,874	o	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	298,994	12,686,119	36,605,514
14.	Net increase (or decrease) in contract loans and premium notes	0	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	2,962,092	102,061,873	180,687,563
16	Cash from Financing and Miscellaneous Sources Cash provided (applied):			
10.				
	16.1 Surplus notes, capital notes	0	0	0
	16.2 Capital and paid in surplus, less treasury stock	0		
	16.3 Borrowed lunds	0		0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	,0
	16.5 Dividends to stockholders	0	0	0
477	16.6 Other cash provided (applied)	(400,432)	(2, 163, 036)	(1,166,635
17.	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(400,432)	(2, 163, 036)	(1, 166, 635
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(22,231,409)	60 070 TT	AT ALA *^-
19.	Cash, cash equivalents and short-term investments (time 11, plus times 15 and 17)	(22,231,409)	62,372,775	27,949,237
,	annil astar adatamenta dun antur tann maannanta			
	19.1 Beginning of year	62,285,076	34,335,839	34,335,839

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Lincoln General Insurance Company ("Company" or "Lincoln") are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania ("PID").

The PID recognizes only statutory accounting practices prescribed by the Commonwealth of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Pennsylvania Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the Commonwealth of Pennsylvania. The Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

The Company, with the explicit permission of the PID, recorded all of its loss and loss adjustment expense reserves on a discounted basis effective September 30, 2009. Under the requirements of SSAP No. 55: Par. 8 (Unpaid Claims, Losses and Loss Adjustment Expenses) the Company is required to record its loss and loss adjustment expense reserves at the estimated ultimate cost of settling the claims and the loss and loss adjustment expense reserves shall not be discounted.

The implementation of recording loss and loss adjustment expense reserves on a discounted basis was accounted for as a change in accounting principle and had the effect of initially increasing surplus by \$37,514,787 as of September 30, 2009. The implementation of this permitted accounting practice did not alter the company's regulatory action level under risk-based capital.

See note 32 for additional details.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and permitted practices by the PID of Lincoln is shown below:

	į	A section of the sect	T	hree months	T	velve months
Net I	ncome	PRESENTED TO THE CONTROL OF THE CONT	and the second	Ending		Ending
v	referencesserverserve tesses in the contraction of the contraction	en gamana prantiper en en en en en anta a anta antaman de la decentrativa de la constanta de la constanta de l	Mε	arch 31, 2012	Dec	ember 31, 2011
(1)		ce Company Pennsylvania basis	\$	(1,660,993)	\$	(3,982,375)
(2)	Permitted Practice - reco expense reserves on a di	rded all loss and loss adjustment scounted basis.		(1,724,581)		(9,066,586)
(3)	NAIC SAP	(1-2=3)	\$	63,588	\$	5,084,211
Surp	lus	Social Communication and agreement and agreement of the supplied of the suppli			an all as a	
(4)	Lincoln General Insuran	ce Company Pennsylvania basis	\$	1,591,548	\$	2,854,963
(5)	Permitted Practice - reco expense reserves on a di	orded all loss and loss adjustment scounted basis.		11,524,207		13,248,788
(6)	NAIC SAP	(4-5=6)	ď	(9,932,659)		(10,393,825)

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- Note 2. None
- Note 3. None
- Note 4. None
- Note 5. Loan-Backed Securities
 - All prepayment rates (CPR and PSA) for mortgage-backed/loan-backed and structured securities, as well as principal start
 and end dates, are provided by BlackRock Financial Management's proprietary prepayment modeling system.
 - 2. Not Applicable
 - 3. Not Applicable
 - 4. All impaired securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss.

	Book/Adj Carry Value		NAIC Fair Market Value		Unrealized Loss	
Less than 12 Months MBS/CMO/ABS	\$	889,270	\$	855,196	\$	34,074
Greater than 12 Months MBS/CMO/ABS	\$	н	\$	-	\$	*

- 5. There are a number of factors that are considered in determining if an Other-Than-Temporary Impairment does not exist for an investment, including but not limited to: debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.
- Note 6. None
- Note 7. None
- Note 8. None
- Note 9. None
- Note 10. Information Concerning Parent, Subsidiaries and Affiliates
 - a) On October 19, 2009, Kingsway Financial Services, Inc. (Kingsway) issued a press release stating that Kingsway America, Inc. ("Kingsway America"), an intermediate holding company wholly owned by Kingsway, had disposed of its entire interest in Walshire Assurance Company ("Walshire"), another intermediate holding company that owned all of the outstanding stock of Lincoln, and that, as a consequence of the disposition ("Disposition"), the Company ceased to be a member of Kingsway's consolidated group of companies. In a letter dated October 20, 2009, the PID objected to the Disposition and directed that the Disposition be unwound until such time as the PID had an opportunity to review the transaction. In November 2009, Kingsway America and the PID both initiated legal action in regards to the Disposition. On April 1, 2010, the Pennsylvania Commonwealth Court ruled that the Disposition by Kingsway and Kingsway America did not violate the Insurance Holding Companies Act or the General Association Amendments ("GAA"). On April 30, 2010, the PID appealed the April 1, 2010 ruling. The PID filed a brief in support of its appeal on July 19, 2010. Kingsway opposed the appeal. The parties completed briefing the matter on September 7, 2010, and the PID requested an advanced date of argument on the same day. On January 3, 2011 the Supreme Court ordered selected issues to be scheduled for oral argument at the next available time.

On October 17, 2011, Tawa PLC (Tawa) announced that following regulatory approvals from the PID, it had completed its acquisition of a majority stake in a newly formed holding company, LGIC Holdings, LLC ("Holdings"). Holdings owns 100% of the outstanding stock in Walshire and Lincoln. Kingsway purchased a minority stake in Holdings. As a result of the acquisition, all legal disputes between Kingsway and the PID were dismissed.

- Note 11. None
- Note 12. None
- Note 13. None
- Note 14. None
- Note 15. None
- Note 16. None
- Note 17. None

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 18. None

Note 19. None

Note 20. None

Note 21. Other items

A. 1. On February 9, 2009, Lincoln discontinued the writing of new business. In addition, the Company began a process that would result in a voluntary, solvent run-off of all business. As a result of this decision, and at the request of the PID, the Company entered into a letter agreement with the PID (the "Letter Agreement") dated March 11, 2009. Among other things, the Letter Agreement required the Company to substantially cease all new writings of insurance except where otherwise required by law or pre-existing contractual obligations. This undertaking will ultimately result in the completion of an ongoing, orderly process of discontinuing all lines of business, a process which the Company began in 2008.

On March 1, 2010, following Lincoln's timely filing of its 2009 Annual Statement, a "regulatory action level event" occurred under Pennsylvania insurance law. This triggered a statutory obligation for Lincoln to prepare and submit for acceptance by the PID a formal, comprehensive Risk Based Capital Plan setting out the Company's proposals for dealing with its capital inadequacy ("the 2010 RBC Plan").

The 2010 RBC Plan was a run-off plan that provided for the orderly, efficient resolution and payment of all policy-related obligations in full and satisfaction of all other liabilities. The 2010 RBC Plan covers all material operations of the Company. The 2010 RBC Plan was submitted to the PID on April 30, 2010. On May 27, 2010 the Company received notification from the PID that the 2010 RBC Plan was satisfactory pursuant to 40 P.S. § 221.6-A(c).

In 2010, Lincoln carried out many of the objectives outlined in the 2010 RBC Plan. However, on March 1, 2011, following Lincoln's timely filing of its 2010 Annual Statement, another "regulatory action level event" occurred under Pennsylvania insurance law. This triggered a statutory obligation for Lincoln to prepare and submit for acceptance by the PID a new, formal, comprehensive Risk Based Capital Plan setting out the Company's proposals for dealing with its capital inadequacy ("the 2011 RBC Plan").

The 2011 RBC Plan is a run-off plan that provides for the orderly, efficient resolution and payment of all policy-related obligations in full and satisfaction of all other liabilities. The 2011 RBC Plan covers all material operations of the Company. On May 31, 2011 the Company received notification from the PID that the 2011 RBC Plan was satisfactory pursuant to 40 P.S. § 221.6-A(c).

In 2011, Lincoln carried out many of the objectives outlined in the 2011 RBC Plan. However, on March 1, 2012, following Lincoln's timely filing of its 2011 Annual Statement, another "regulatory action level event" occurred under Pennsylvania insurance law. This triggered a statutory obligation for Lincoln to prepare and submit for acceptance by the PID a new, formal, comprehensive Risk Based Capital Plan setting out the Company's proposals for dealing with its capital inadequacy. The Company will be submitting the 2012 RBC Plan to the PID by May 31, 2012.

2. In the 2009 and 2010 Audited financial statements the Company disclosed doubt about its ability to continue as a going concern. The Company's run-off plan, current RBC position, and the uncertainty of the ultimate settlement value of the insurance liabilities raise substantial doubt about the Company's ability to continue as a going concern. The Company expects that the 2011 Audited financial statements will also disclose doubt about its ability to continue as a going concern.

Note 22. None

Note 23. None

Note 24. None

Note 25. None

Note 26. None

Note 27. None

Note 28. None

Note 29. None

Note 30. None

Note 31. None

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

All of the Company's reserves have been discounted utilizing the non-tabular discounting at a rate of 2.75%. This discount rate is based upon the Company's investment portfolio. The total amount of discount as of March 31, 2012 is \$11,524,207. The amount of discount by line of business and reserve category is provided in the table below.

	(1)	(2)	(3)	(4)	(5)
	` '	(<i>)</i>	Defense &	V -7	(0)
			Cost	Adjusting	
]		Containment	& Other	
Line of Business	Case	IBNR	Expense	Expense	Total
1. Homeowners/Farmowners	5,640	5,639	2,066	8,971	22,316
2. Private Passenger Auto Liability/Medical	505,959	(28,168)	(7,696)	28,291	498,386
3. Commercial Auto/Truck Liability/Medical	1,777,941	300,024	71,795	185,920	2,335,680
4. Workers' Compensation	1,178,812	920,731	232,464	179,847	2,511,854
5. Commercial Multiple Peril	425	39	25	279	768
6. Medical Malpractice - occurrence	0	0	0	0	0
7. Medical Malpractice - claims-made	0	0	0	. 0	0
8. Special Liability	31,611	3,338	592	1,510	37,051
9. Other Liability - Occurrence	1,518,649	1,350,181	662,071	547,246	4,078,147
10. Other Liability - claims-made	0	0	0	0	0
11. Special Property	1,994	2,351	1,226	2,658	8,229
12. Auto Physical Damage	290	443	748	7,736	9,217
13. Fidelity, Surety	1,683,423	262,457	36,753	37,299	2,019,932
14. Other (including Credit, Accident & Health)	0	0	0	0	.0
15. International	0	0	. 0	0	0
16. Reinsurance Nonproportional Assumed					
Property	0	1,186	227	1,214	2,627
17. Reinsurance Nonproportional Assumed					
Liability	0	0	0	0	0
18. Reinsurance Nonproportional Assumed					
Financial Lines	0	0_	0	0	0
19. Products Liability - occurrence	0	0	0	0	. 0
20. Products Liability - claims-made	0	0	0	0	. 0
21. Financial Guaranty/Mortgage Guaranty	0	0	0	0	0
22. Warranty	0	0	0	0	0
23. Total	6,704,744	2,818,221	1,000,271	1,000,971	11,524,207

Note 33. None

Note 34. None

Note 35. None

Note 36. None

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1	Did the reporting entity experience any material transactions requiring the filing of Disclosure of Domicile, as required by the Model Act?	of Material Trans	actions with the State	of	Yes []	No [X]	
1,2	If yes, has the report been filed with the domiciliary state?	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			Yes []	No ()	
2.1	Has any change been made during the year of this statement in the charter, by-laws, articles or reporting entity?				Yes []	No [X]	
2.2	If yes, date of change:).*\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\			
3.	Have there been any substantial changes in the organizational chart since the prior quarter en II yes, complete the Schedule Y - Part 1 - organizational chart.	id? ,	*************************************		Yes [X]	No []	
4.1	Has the reporting entity been a party to a merger or consolidation during the period covered by	y this statement	?		Yes []	No [X]	
4.2	If yes, provide the name of the entity, NAIC Company Code, and state of domicite (use two let ceased to exist as a result of the merger or consolidation.	ter slate abbrevi	iation) for any entity th	at has			
	Name of Entity NAIC C	2 Company Code	3 State of Domicite	7			
	Traine or Entry	Tompany Code	State of Domicie	1			
5.	If the reporting entity is subject to a management agreement, including third-party administrate in-fact, or similar agreement, have there been any significant changes regarding the terms of if yes, attach an explanation.	the agreement	or principals involved	rney- ? Yes	[X] No [) N/A [)
6,1	Lincoln General Insurance Company entered into a Run-Off Management Agreement, effective State as of what date the latest financial examination of the reporting entity was made or is be	e April 1, 2012, ing made	with Pro IS, Inc.		12/3	1/2012	
6.2	State the as of date that the latest financial examination report became available from either to date should be the date of the examined balance sheet and not the date the report was compared to the compared to the date the report was compared to the compared to the date of the examined balance sheet and not the date the report was compared to the	he state of domi	cile or the reporting e	ntity. This		1/2007	
6.3	State as of what date the latest financial examination report became available to other states the reporting entity. This is the release date or completion date of the examination report and date).	d not the date of	the examination (bala	ince sheet	07/2	5/2009	
6.4	By what department or departments?						
6.5	Pennsylvania Have all financial statement adjustments within the latest financial examination report been ac statement filed with Departments?	counted for in a	subsequent financial		[X] No [] N/A [1
6.6	Have all of the recommendations within the latest financial examination report been complied	with?		Yes	[X] No [] N/A [1
7.1	Has this reporting entity had any Certificates of Authority, licenses or registrations (including c revoked by any governmental entity during the reporting period?	orporate registra	ation, if applicable) su	spended or		No [X]	
7.2	If yes, give full information:						
8.1	Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Bo	ard?	***************************************		Yes []	No [X]	
8.2	If response to 8.1 is yes, please identify the name of the bank holding company.						
8.3	is the company affiliated with one or more banks, thrifts or securities firms?		***************************************		Yes []	No [X]	
8.4	If response to 8.3 is yes, please provide below the names and location (city and state of the mongulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptro Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and Identify	lier of the Currer	ncy (OCC), the Feder	al Deposit			
	1	2	3	4 5			
	Affiliate Name Location	(City, State)	FRB	OCC FDI	IC SEC		

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES

9.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; (c) Compliance with applicable governmental laws, rules and regulations; (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and (e) Accountability for adherence to the code. If the response to 9.1 is No, please explain:	Yes [X] No []
9.2 9.21	Has the code of ethics for senior managers been amended?	Yes [] No [X]
9.3 9.31	Have any provisions of the code of ethics been waived for any of the specified officers? If the response to 9.3 is Yes, provide the nature of any waiver(s).	Yes [] No [X]
	FINANCIAL	
10.1 10.2	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$\$\\$\$\$	Yes [X] No []
	INVESTMENT	
11.1 11.2	use by another person? (Exclude securities under securities lending agreements.)	Yes [] No [X]
12.	Amount of real estate and mortgages held in other invested assets in Schedule BA:	
13.	Amount of real estate and mortgages held in short-term investments:	4
14.1	Does the reporting entity have any investments in parent, subsidiaries and affiliates?	Var i l Na I V l
14,2	If yes, please complete the following:	100 £ 1 110 1 V 1
	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds0	\$
14.22	Preferred Stock	\$
14.23	Common Stock	\$
14.24	Short-Term Investments	\$,
14.25	Mortgage Loans on Real Estate	\$
14.26	All Other	\$
14.27 14.28	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$0 \$
15.1 15.2	Has the reporting entity entered into any hedging transactions reported on Schedule DB? If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no attach a description with this statement	Yes [] No [X] Yes [] No []

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES

16. 16.1	offices, vaults or safety deposit box custodial agreement with a qualified	es, were all stocks, bonds and other s I bank or trust company in accordanc ustodial or Safekeeping Agreements	securities, owr be with Section of the NAIC F	ied throughout th n 1, III - General I Inancial Conditio	Examination Considerations, F. n Examiners Handbook?Y	es (X) No ()
	N	1			2	
		ustodian(s)	540 W. Madis		istodian Address Chicago, IL 60661	-
16,2	For all agreements that do not complete explanation		Financial Con	dition Examiners	Handbook, provide the name,	
	1 Name(s)	2 Location(s)		C0	3 mplete Explanation(s)	
	numo(s)	Location(s)			inbere Expanation(s)	
16.3 15.4	Have there been any changes, included if yes, give full information relating the	ling name changes, in the custodian(ereto:	s) identified in	16.1 during the	current quarter?Ye	s[] No [X]
	1 Old Custodian	2 New Custodian	Onto	3 of Change	4 Posnon	
	Ord Custodian	New Custodian	Date	or Change	Reason	
16.5		ers/dealers or individuals acting on b y to make investments on behalf of th			re access to the investment accounts,	_
	1 Central Registration Depository	2 Name(s)		***************************************	3 Address	7
		BlackRock		52 E, 52nd Stree	t, New York, NY 10055	
	L				· · · · · · · · · · · · · · · · · · ·	
17.1 17.2	Have all the filing requirements of the If no, list exceptions:	e Purposes and Procedures Manual (of the NAIC Se	ecurities Valuatio	n Office been followed?	es [X] No []

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.	if yes, atlach an explanation.	l	1	NO	**	1	N/A	17
2.	Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?	Y	'es [I]	No	X J	
3.1	Have any of the reporting entity's primary reinsurance contracts been canceled?	Y	es (Ī	į	No	X I	ì
3.2	If yes, give full and complete information thereto.							
¥.1	Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?	¥	'es [Į X) :	No 1	[]	j

4.2 If yes, complete the following schedule:

				TOTAL D	ISCOUNT		DIS	COUNT TAKEN	DURING PER	IOD
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpald LAE	IBNR	TOTAL
Homeowners/Farmowners		7.0.0					200000		101111	101/11
Tionovition of a assimilar o	0.0	2.760	5.640	11,037	5 630	22 316	(1.073)	(3.505)	(3.077)	(7 656)
Private Passenger						22,010			,	
Auto										
Liability/Medical		2.750	SOE OSO	20 506	(20 tcp)	400 000	(46,000)	(05 500)	105 0071	(405. 740)
		Z.100		20,090			(19,089)		(30,007)	(135,748)
Commercial Auto/Truck		0.700	4 777 044	007 740	000 004	0.005.000	(**** ****	(47 474)		
Liability/Medical		,	1,777,941	257,715	300,024	2,335,680	(153,262)	(67,950)	(214,567)	(435,779)
Workers' Compensation										
	0.0	2.750	1, 178,812	412,311	920,731	2,511,854	(131,458)	(15, 162)	(1,654)	(148,274)
Commercial Multiple									ļ	
Peril	0.0	2,750		304	39	768	424	(45)	(56)	323
Special Liability	0.0	2,750	31,611	2,102	3,338	37,051	14,408	(205)	562	14.765
Other Liability~										
Occurrence	0.0	2.750	1,518,649	1,209,317	1,350,181	4.078.147	(274,678)	(160,563)	(212.855)	(648.096)
Special Property	0.0	2.750	1.994	3.884	2.351	8 229	403	404	746	1 553
Auto Physical Damage	0.0	2 750	290	8 484	443	0 217	(506)	(970)	(542)	/2 100
Fidelity, Surety	0.0	2 750	1 692 402	74.050	202 457	2 040 033	/200 204	10 0701	164 CAC)	1050 007
			1,000,460		.,.,,202,401	2,00,002			1(04,090)	(329,907)
Reinsurance		•					!			1
Nonproportional		0.750	١,		1 400		Ι ,			
Assumed Property	1									***************************************
		TOTAL	6,704,744	2,001,242	2,818,221	11,524,207	(857,825)	(283,485)	[(583,271)	(1,724,581)

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE F - CEDED REINSURANCE Showing All New Reinsurers - Current Year to Date

1	2	Showing All New Reinsurers - Curre 3	4	5
NAIC Company Code	Federal ID Number	Name of Reinsurer	Domicillary Jurisdiction	Is Insurer Authorized? (Yes or No)

·····				
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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

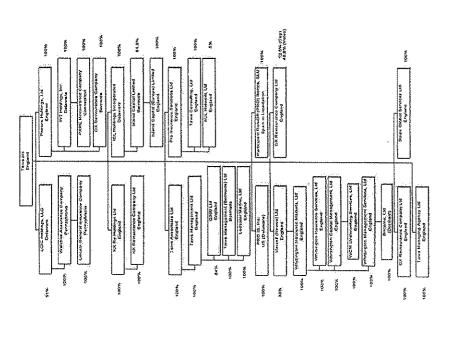
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

	T	i [Current Year to Direct Premit	Date - Allocated b ims Written	y States and Terr Direct Losses Paid (Direct Loss	es Unpald
		Active	2 Current Year	3 Prior Year	4 Current Year	5 Prior Year	6 Current Year	7 Prior Year
	States, etc.	Status	To Date	To Date	To Date	To Date	To Date	To Date
	AlabamaAL AlaskaAK			500	99,000	312,089	1,943,266	3,998,116
	ArizonaAR		25 940	58.700	721,138	164 165	1.593.248	3.725.251
	ArkansasAR	L			125,000	(964)		1,363,058
	CaliforniaCA	L	74,653	30,664	4,068,288	5,566,607	53,262,872	90,393,855
6.	ColoradoCO			(354)	*******		737	114,468
7.	ConnecticutCT				345, 002	29,959	1.775,711	3,228,326
8.	DelawareDE	L		*******************	50,000	3,010	253,237	729,843
9.	District of ColumbiaDC	L				9,743	1,558	9,877
	FloridaFL	N	(776)	(27,310)	354,791	2,497,786	4,860,187	12,453,835
	GeorgiaGA	L	(68,779)	27	(53,244)	222,251	3.942,409	7, 121, 275
	HawaiiH			-1			14,557	107,094
	ldahoID		1.000			4 070 040	16,315	151,925
	IllinoisIL Indiana		1,000	(2,516)		1,273,818		15,891,359
	lowaIA				10,624		1,358,398	742,240 930,566
	Kansas KS		1		******************************		180,465	335,031
	KentuckyKY	1		****************************	15.617	246,609	867,798	1,313,222
	LouisianaLA	L			198,319	244,592	1.266.819	2,988,519
	Maine ME	L				24,991	143,248	427,637
	MarylandMD		224			466, 161	1,006,972	1,788,998
	MassachusettsMA							
	MichiganMI	L	***************************************	(34)	269,961	141,245	1,905,087	3,067,463
	MinnesotaMN				~~~~	633,725	497,092	1,750,142
25.	MississippiMS	L	(29,908)		104,000	207,832	1,010,886	2, 168, 788
26.	MissouriMO	L	*******************************	*****	21,727	174,659	688,948	893, 174
27.	MontanaMT	L,	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			820	5, 159	307
28.	NebraskaNE		************************			(1, 116)	58,206	50,433
29.	NevadaNV	L	19,272		250,501	754,530	6,319,410	6,321,800
30.	New HampshireNH	L					***************************************	
31.	New JerseyNJ	L	37.783	8,520	1, 119,310	3,592,359	8,589,221	17,953,906
32.	New MexicoNM	L					44	305,451
	New YorkNY	L	12,431	(308,779)	3,906,547		35, 131, 432	48,218,053
	North CarolinaNC				25,440	78,234	3, 111, 144	2,718,169
35,	North DakotaND	L				1,035		41,915
36.	OhioOH	L	2.033	15,429	327,328	(2,544)	710,579	2,318,020
37.	OkłahomaOK OregonOR		(776)	(100)	19,000	400 , 150	1, 149, 400	614,557
38. 39.	OregonOR PennsylvaniaPA		66.547		2,361,785			109,293 16,562,626
39. 40.	Rhode IslandRl	;,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			171.400	9,000		163,179
41.	South CarolinaSC		(110, 193)		1.548	179.345	218.051	747,821
42.	South DakotaSD	1		******************************		.,	35,599	32 229
43.	TennesseeTN	1		17	442,098	317,517	2,326,325	3,099,768
44.	TexasTX	1		(10,913)	379,765	2,031,548	7,820,877	11,364,446
45.	Utah UT	L .	807	44.214	17,720	90,360	436.816	472,864
46.	VermontVT	L		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(30,000)	18,873		49,045
47.	VirginiaVA				(199)		260,213	972,459
48.	WashingtonWA	L	1,728	(8,544)	199 , 157	147, 189	1, 143, 779	1,924,954
49.	West VirginiaWV	L				75,500	930,985	859,229
50.	WisconsinWI	L					189,289	573,658
51.	WyomingWY	ļ						
52.	American SamoaAS							
53.	GuamGU							
54.	Puerto RicoPR							
55.	U.S. Virgin IslandsVI			·/··	***************************************			
56.	Northern Mariana IslandsMP							1
57.	Canada	***************************************	***************************************		I	,		
58.	Aggregate Other Alien OT	xxx	A	0	0	n	0	n
59.	Totals	(a) 50	31,986	(67,480)	16,454,018	28,598,843	163,094,761	271,168,244
	DETAILS OF WRITE-INS	<u> </u>		12.1.12.2	1			= 7,100,1233
5801.		xxx						l
5802.	***************************************	XXX						
5803.		XXX						
5898.	Summary of remaining write-ins for Line 58 from							
	overflow page	xxx	0	0	0	0	0	0
5899.	Totals (Lines 5801 through							
	5803 plus 5898)(Line 58 above)	xxx	0	0	0	0	l 0	1
			or Dominilad BDG: 491	<u> </u>	<u></u>	<u></u>	<u> </u>	dana a la

⁽a) Insert the number of L responses except for Canada and Other Alien.

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART



STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY **SCHEDULE Y**

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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14								i Bimata Controllino	Entitylise\(\text{IP}\)ercon(s)	13	lana, ric	Tasa, Pic	Tana Die		1484, 75C	Taxa, Plc.	Tara, Pic.	Then Dir		lara, ric	Tara, Pic	100,000 Tara Pic	Taxa Dir	T	12X4, Fig.	12*2, Plc	Taxa, PIc	Taxa Ple	Sand 1 (S	53#2, FIG	3a*a, PI¢	Tawa, Plo	Taxa Plc	70 - Die	1284, FSC	lana, Pic	Tana. Pic	Tata, Pic	Tara, Pic	Tawa, Pic		Tong Die	1414, 735	lara, Pic	Tava, Pic	Tara, Pic	Tara, Pic.	Tara Pic	15-c 51-c	1614, f 14 (minute)	č	taka, YIG	100,000 Tana, Pic	
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10					_	Relationship	2	Donoting	Entity	Cillic	JIP	din	2	÷	·	MIA	<u>-<</u>	* 124	ma	- MA	MIA	¥ E	7 12		NIA		HI.	716	1111	4		44	nia			JA	N. N.	A. W.	- K		N. S.	-		NIA	MA	-4 2	NIA.	W1A		1	MIA	- NIA	All A	
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8				_			Names of	Control Control Control	Or Affinter	-	Tara Pic	LGIC Holdings, ELC	Walshing Assessment Communic	ad Islail & Assul and Consoling	Lincoln General Insurance Company	KX Re Holdings L1d	KX Beinsurance Concern Ltd	Total description 5 Per	ista resolution Lie	Lodestar Karine, Ltd	Tara Management (Bermoda) Ltd	0.000 1.14	DOU IC IN	for to, like many and a second	Marcell (Nerco) LIG	OX Reinsurance Company Ltd	Taxa Managing Agency Etd	Danaga Waldings 14	recond nothings, Lto	Fi Holdings, Inc.	PXXE Reinsurance Conpany	OX Reinsurance Company	IC Baldhoo Incorporated	The factorings interpolation was a second	island tap tal Lighted	Island Capital (Europe) Limited	Pro Insurance Solutions Ltd	Taxa Consulting, Ltd	Alf. Network, £1d	Participant Run-Off (PRO) (berica.	200	AV Palantenan Comment 144	LA REITSURANCE CORpany L.to	Stripe Global Services Ltd	Tava Management Ltd	Rhitlington ins Markets, Ltd.	Mittington has Sec 1.1d	Whittington Capital Banacanant 116	militarington deprise menagement, and	איא תוספובנוווונו אני רום		Entitington Management Sycs, Ltd	Bricone, Lid	
7							Name of Securities Exchange	Country Tender	in rubility (tabed	C.S. Of High and Inc.	London Stock Exchange			***************************************	***************************************																					***************************************		,																
9		_							2	5			2000000					***************************************		***************************************			-											-			-							***************************************					-		_			
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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

			Current Year to Date		4
		1	2	3	Prior Year to Date
		Direct Premiums	Direct Losses	Direct Loss	Direct Loss
	Line of Business	Earned	Incurred	Percentage	Percentage
1.	Fire		(7,715)		0.0
2.	Allied Lines			0.0	0.0
3.	Farmowners multiple peril			0,0	0.0
4.	Homeowners multiple peril			0.0	1,391,0
5.	Commercial multiple peril	***************************************	8,396	0.0	0.0
6.	Morigage guaranty		***************************************	0.0	0.0
8.	Ocean marine		80,376	0.0	0.0
9.	Inland marine		45,445	0.0	73,882.2
10.	Financial guaranty			0.0	0.0
11,1	Medical professional liability - occurrence			0.0	0.0
11.2	Medical professional liability - claims-made			0.0	0.0
12.	Earthquake			0.0	0.0
13.	Group accident and health			0.0	0.0
14.	Credit accident and health	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		0.0	0.0
15.	Other accident and health			0.0	0.0
16.	Workers' compensation				(239, 1)
17.1	Other liability - occurrence				3,880,832.0
17.2	Other liability - claims-made	***********************	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0.0	0.000,002.0
17.3	Excess workers' compensation	/	***************************************	0.0	ΛΛ
18.1	Products liability - occurrence	·			0.0
18.2	Products liability - claims-made	////		0.0	0.0
	Private passenger auto liability	(101 000)	/ACA CCI	40.6	407 6
19.3,19.4	Commercial auto liability		(1,793,365)		(280.0)
21.	Auto physical damage				(200.0)
22	Aircraft (all perils)				
23.	Fidelity			0.0,	V.V
24.	Surety			0.0	0,0
26.	Burgiary and thelt			(660.5)	124.6
27.	Boller and machinery	***************************************		0.0	
27.				0,0	0.0
	Credit			0.0	0.0
29,	International			0.0	0.0
30.	Warranty			0.0	0.0
31. 32.	Reinsurance - Nonproportional Assumed Property		XXX	XXX	XXXXXX
33.	Reinsurance - Nonproportional Assumed Clability Reinsurance - Nonproportional Assumed Financial Lines	VYY	XXX	XXX	XXXXXX
34	Aggregate write-ins for other lines of business		8	0.0	0.0
35.	Totals	(212,001)	(2,642,966)	1,246,7	38.5
	DETAILS OF WRITE-INS	(&12,001)	(2,042,200)	1,240.1	30.3
3401.					
3402.			*****************************		
3403.	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\				·····
3498.	Summary of remaining write-ins for Line 34 from overflow page		n	A A	
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	V	0	0.0	
3499,	Totals (Laics and Limbugh and plus anal/(Laic an above)	L y	l	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	No. 42	1	2 Current	3 Prior Year
1.	Line of Business Fire	Current Quarter	Year to Date	Year to Date
2.	Alled Lines			
3.	Farmowners multiple peril			······································
4.	Homeowners multiple peril			
5	Commercial multiple peril		1	(1,937)
6.	Modgage guaranty			
B.	Ocean marine			***************************************
9.	Inland marine			
10.	Financial guaranty			
11.1	Medical professional liability - occurrence			
11.2	Medical professional flability - daims-made			***************************************
12.	Earthquake			************************
13.	Group accident and health		***************************************	******************************
14.	Credit accident and health	I	***************************************	
15.	Other accident and health			***************************************
16.	Workers' compensation			
17.1	Other liability - occurrence	}		(79, 108)
17.2	Other llability - claims-made			(25)
17.3	Excess workers' compensation		······	
18.1	Products liability - occurrence		***************************************	***************************************
18.2	Products liability - claims-made			
19.1.19.2	Private passenger auto liability		/+40 EEA1	
19.3.19.4	Commercial auto liability	1		
21.	Auto physical damage		(18,082)	(28,630)
22.	Aircraft (all perils)			
23.	Fidelity		*****************************	
24.	Surely		198,618	ማስ አስስ
26.	Burglary and theft		I	
27.	Boiler and machinery		h	***************************************
28.	Credit		*********************	**************************************
29.	internalional			***************************************
30.	Warranty			
31.	Reinsurance - Nonproportional Assumed Property	YYY	YYY	YYY
32.	Reinsurance - Nonproportional Assumed Liability			
33.	Reinsurance - Nonproportional Assumed Financial Lines	xxx	XXX	,.XXX
34.	Aggregate write-ins for other lines of business		0	0
35.	Totals	31,986	31,986	(67,478
	DETAILS OF WRITE-INS			
3401.	41000000000000000000000000000000000000	ļ	***********************	
3402.			***************************************	***************************************
3403.				
3498.	Summary of remaining write-ins for Line 34 from overflow page			0
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	0	0	0

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

								•																	
13		Prior Year-End	AE Bosenie	Discourage of	Ceveloped	Deficiency	(Cols. 11+12)	(457)		98	541	93	1.5	/// '/	XXX	1,177	Col. 13, Line 7	As % of Col. 3	Úne 7	u c	S. U.D	Col. 13, Line 7	As a % of Col. 1	Line 8	4, 41.2
12	Prior Year-End	IBNR Loss and	Daveloned	Covinge	Deficiency	Cole F. 9.0	minus Col. 23	(12, 407)		0	(12,407)	(23)		(52,423)	XX	(12,429)	Col, 12. Une 7	As % of Col. 2	Line 7		4, (14-/)				
	Prior Year-End	Known Case Loss	Ownload	Ceveloped	(Savargs)/	Cencer 54	minus Col. 1)	11.950		886	12,948	858	900	13,000	×	13,606	Col. 11. Line 7	As % of Col. 1	Line 7	***************************************	1, 3,3				
10				- 0	ord C.S. Loss	and the	(Cols.7+8+9)	9		7,427	192,343	5.317	000 107	190.781	221	197,881					_				
6		•			Give Date	C.S. Date Div	Reserves	222 233		1,126	66,848	3.767		c16,0/	199	70,814									
60		Q.S. Date Known	Case coss and	TO Saviacau Den	Claims Reported	nalladoau io	Prior Year End	1 388		164		74	-	1,628	22	1,648									
		2	C.S. Date Arrown	Case Coss and	Chims Donoted	Claims nepomed	Prior Year End	117 806		6, 137	123,943	1.476	47	125,419	×	125,419									
9			*****		10tal 2012 Loss	and the	Cols. 4+5)	780 30		1,087	25,384	82		26,074	16	26,090									
2	٠		2012 COSS and	CAE Payments on	Clams	Unreported	Year-Fnd	4		0	5		***************************************	ç	16	21									
4			0,000	Z012 L0SS and	At: Payments on	Claims Heported	As of Prior	000 70		1,087	25.379	<i>S</i> 2		26,069	××	28,069									
~	,			otal Phor		and Lair	Cole 1±2)	200 670	200	7,518	217.186	5, 371		222,557	XX	222,557									
•	1		•	:	Prior Year-	TANGE OF THE	Loss and LAE	70 520	300.0	1,280	80.812	2 862	W. V.	84,675	XX	84,675									
-					;	Prior Year-End	Known Case Loss	٧	- CEI 1000	6.228	136.374	502	0001	137,882	XX	137, 882			2.885						
						Years in Which	Cosses		1002 + 1002	2. 2010	3. Subtotals 2010 + Prior		4, 4011	5. Subtotals 2011 + Prior	6, 2012	7. Totals	2 1 1 2 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	8. Phor rear-ting Surplus	Policyholders						

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the special interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Response
1.	Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2.	Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4.	Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO
	Explanations:	
1,	•	
2.		
3.		
4.		
	Bar Codes:	
1.	Trusteed Surplus Statement (Document Identifier 490)	
2,	Supplement A to Schedule T [Document Identifier 455]	
3.	Medicare Part D Coverage Supplement [Document Identifier 365]	
4,	Director and Officer Supplement [Document Identifier 505]	

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

OVERFLOW PAGE FOR WRITE-INS

Addition	al Write-ins for Assets Line 25				
			Current Statement Date		4
		1	2	3	December 31
				Net Admitted Assets	Prior Year Net
		Assets	Nonadmitted Assets	(Cofs, 1 - 2)	Admitted Assets
2504.	Leasehold Improvements		5,442	0	0
2505.	Prenium Taxes	147,070		147,070	142.331
2506.	Virgings of the highlight highlight highlight the highlight the highlight the highlight has been been been been been been been bee			0	0
2507.				0	0
2597.	Summary of remaining write-ins for Line 25 from overflow page	152,512	5,442	147,070	142,331

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE A - VERIFICATION

Real Estate

		i	2
			Prior Year Ended
		Year to Date	December 31
1,	Book/adjusted carrying value, December 31 of prior year	9,568,001	10,095,248
2,	Cost of acquired:		
	2.1 Actual cost at time of acquisition	3,120	2,288
	2.2 Additional investment made after acquisition		0
3.	Current year change in encumbrances		0
4.	Total gain (loss) on disposals	/	***************************************
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book/adjusted carrying value		
7.	Deduct current year's other than temporary impairment recognized		0
8.	Deduct current year's depreciation	132,861	529,535
9.	Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10,	Deduct total nonadmitted amounts		0
11.	Statement value at end of current period (Line 9 minus Line 10)	9,438,260	9,568,001

SCHEDULE B - VERIFICATION

		1	2
			Prior Year Ended
		Year to Date	December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		***************************************
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		
	2.2 Additional Investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accruat of discount	***************************************	
5.	Unrealized valuation increase (decrease)	***************************************	************************
6.	Total gain (loss) on disposals	*	
7.	Deduct amounts received on disposals	*******************************	***************************************
8.	Deduct amortization of premium and mortgage increst polynamic mmitmen lees		***************************************
9.	Total foreign exchange change in book value/recorded investment exchange accrued interest		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12,	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)	1	

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets 2 Prior Year Ended Year to Date December 31 Book/adjusted carrying value, December 31 of prior year 2. Cost of acquired: 2.1 Actual cost at time of acquisition ... 2.2 Additional investment made after acquisition 3. Capitalized deferred interest and other 4. Accrual of discount 5. Unrealized valuation increase (decrease) ... 6. Total gain (loss) on disposals ... 7. Deduct amounts received on disposals ... 8. Deduct amortization of premium and depreciation. 9. Total foreign exchange change in book/adjusted carrying value. 10. Deduct current year's other than temporary impairment recognized 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) 12. Deduct total nonadmitted amounts Statement value at end of current period (Line 11 minus Line 12)

SCHEDULE D - VERIFICATION

	Bonds and Stocks		
		1	2 Prior Year Ended
		Year to Date	December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	160,696,079	341,980,618
2.	Cost of bonds and stocks acquired	00	36,603,226
3.	Accrual of discount	286,409	25,988
4.	Unrealized valuation increase (decrease)	0	(17,756)
5.	Total gain (loss) on disposats		
6.	Deduct consideration for bonds and stocks disposed of	3,300,241	216,953,506
7	Deduct amortization of premium	706,053	2,594,504
8.	Total foreign exchange change in book/adjusted carrying value	0	0
9.	Deduct current year's other than temporary impairment recognized	0,,,,,,,	61,373
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	156,977,641	160,696,079
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	156,977,641	160,696,079

214,814,364

189,450,995 25,363,369

Book/Adjusted Carrying Value December 31 Prior Year

Book/Adjusted Carrying Value End of Third Quarter

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 1B

- 1												
	6 Book/Adjusted Carrying Value End of Second Quarter	0	0	0	0	0	0	0	0	0	0	0
	5 Book/Adjusted Carrying Value End of First Quarter	154, 484, 372	3,536,403	0	188,738,925	©	0	9	0	0	0	188,738,925
rity ing Class	4 Non-Trading Activity During Current Quarter	678,801	3,536,403	0 0	(618,524)	8	0	0	0	0	0	(618,524)
nd Non-Trading Activ eferred Stock by Rat	3 Dispositions During Current Quarter	_	0	0	74,779,431	0	0	0	0	0	0	74.779,431
ions, Dispositions ar for all Bonds and Pr	2 Acquisitions During Current Quarter		10, 188, 509		49,322,516	G	0	0	0	0	0	49,322,516
Showing the Acquisitions, Dispositions and Non-Trading Activity During the Current Quarter for all Bonds and Preferred Stock by Rating Class.	f Book/Adjusted Carrying Value Beginning of Current Quarter	569, 059, 651	25,363,369	0	214,814,364	0	0	0	0	0	0	214,814,364
During					Venezu wa wa AA Ya AA							Pock be

11,934,447 ; NAIC3 \$... .6,310,581; NAIC 2 \$ (a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$...0 ; NAIC 6 S. .0 ; NAIC 5 \$... NAIC 4 \$

15. Total Bonds and Preferred Stock

Total Preferred Stock.

Class 6...

214,814,364

0

0

PREFERRED STOCK

Class 2 ...

Class 3... Class 1...

9 0 1, 2, 55 4

Class 4... Class 5...

Total Bonds

Class 5 (a) .. Class 6 (a)...

Class 1 (a). Class 2 (a). Class 3 (a). Class 4 (a).

BONDS

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE DA - PART 1

	30011-10	THE STREET				
	1	2	3	4	5	
	Book/Adjusted			Interest Collected	Paid for Accrued Interest	
	Carrying Value	Par Value	Actual Cost	Year-to-Date	Year-to-Date	
9199999 Totals	31,761,176	XXX	31,857,957	25.242	85,515	

SCHEDULE DA - VERIFICATION

Short-Term	Investments
------------	-------------

·	VIVA: TOTA HYDROLERS	1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	47,620,743	17,051,767
2.	Cost of short-term investments acquired	49,322,406	239,493,821
3,	Accrual of discount	1,806	82,209
4.	Unrealized valuation increase (decrease)	0	0
5.	Total gain (loss) on disposals	0	0
6.	Deduct consideration received on disposals	64,980,637	208,351,754
7.	Deduct amortization of premium	203, 142	655,300
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized	0	0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	31,761,176	47,620,743
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	31,761,176	47,620,743

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards NONE

Schedule DB - Part B - Verification - Futures Contracts

NONE

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open NONE

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open NONE

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of Derivatives

NONE

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE E - VERIFICATION (Cash Equivalents)

	(Cash Equivalents)	1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	6,497,544	6,597,903
2.	Cost of cash equivalents acquired	0	26,488,134
3.	Accrual of discount	2,456	11,507
4,	Unrealized valuation increase (decrease)	0	0
5.	Total gain (loss) on disposals	0	0
6.	Deduct consideration received on disposals	i .	: :
7.	Deduct amortization of premium	0	0
8.	Total foreign exchange change in book/adjusted carrying value	0	0
9.	Deduct current year's other than temporary impairment recognized	0	
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	6,497,544
11.	Deduct total nonadmitted amounts	0	0
12.	Statement value at end of current period (Line 10 minus Line 11)	0	6,497,544

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY SCHEDULE A - PART 2

	20	owing All Real Estate	ACQUIRED AND	Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter			a-000000	
			4	V.	9	7	8	6
	Location							
	2	3					Book/Adjusted	Additional Investment
			Date		Actual Cost at	Amount of	Carrying Value	Made After
Description of Property	ČĮ.	State	Acquired	Name of Vendor	Time of Acquisition	Encumbrances	Less Encumprances	Acquisition
Land 3 office building at 3501 Concord Read	York	Υe	PA. Marroy & Dittenhafer	Bergy & Dittenhaler 3,120	3,120		3, 120	
0199999, Acquired by Purchase					3,120	0	3,120	0
				•				
						***************************************		***************************************
0399999 Totals					3,120	0	3,120	¢

SCHEDULE A - PART 3

,	Cocation		Sh	Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract" 5 6 7 8 Change in Book/Adjusted Carrying Value Less Encumbrances 14	SPOSED [uring the C	Quarter, Incl	uding Paym Change in E	ding Payments During the Final Year on "Sales Under of Change in Book/Adjusted Carrying Value Less Encumbrances	the Final \	ear on "Sa	es Under C	ontract"	15	16	17	18	61	
	6	3		•	•	Expender	7-	6	10	11	12	13							
	,	,		-		<u>ğ</u>						Total	Book	_				Gross	
				e feeder		Additions	_				Total	*****	Adjusted					псотв	
				***		Permanent			Current		Change in	Exchange	Carrying		Foreign			Earned	
				-		-evore-	Value Less		Year's	Current	Book	Change in 🖰	Value Less		Exchange	Realized	Total	Less	Taxes,
•						ments and			Other Than	Year's	Adjusted	Book	Encum-		Gain	Gain	Gain	Interest	
						Changes			Temporary	Change in	Carrying	Adjusted	brances	Received	(Foss)	(Loss)	(ross)	ncurred on	
			Disposal		Actual	in Encum-			Impairment	Encom-	Value	Carrying	ë		So	5	5	Encum-	
Description of Property	Š	State	Date	Name of Purchaser	Cost	brances		ciation	Recognized	brances	(11-9-10)	Value	Disposal	Year	Disposal	Disposal	Disposal	brances	Incur
									1		-	-					1	***************************************	
					2										_		***************************************		***************************************
				***************************************										_					

			***************************************											_		-			
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030000 Totale													-	-					
200000000000000000000000000000000000000			***************************************						A			water							

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

Schedule B - Part 2 - Mortgage Loans Acquired ${\sf NONE}$

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired $\overline{\mathsf{NONE}}$

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid N O N E

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

NATC Designation or Market Indicator (20) NATE OF THE OF × Paid for Accrued Interest and Dividends Par Value ž Actual Cost Number of Shares of Stock Name of Vendor Date Acquired 9899999 - Totals (a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues | Ocusiph | Ocus

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 4
Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

22		NAIC Desig-	nation	Market	Ė	dicator	(3)	,			-		,		,	,	,	1	,,,	t	1	1	ļ		Ţ	Ţ	_								,		,-		,	,	J	1	1	-	7	- Francisco	ž]		Ţ.,	,	·		,	,		,
21				Safed	tractual	Maturity	Date	5102/00/60	4074672013	12/15/2028	10/15/2020	49/46/2029	10 137 CV20	* AC 134 EUED	03/15/2020	63/15/2023	63/15/2029	12/15/2013	12/15/2013	.12/15/2013	.63/15/2029	.02/15/2029	. 03/15/2029	58/20/2027	1262/62/80	1212712733	69/05/2013	09/06/2013	12/15/2028	12/15/2028	52/2/51/28	8202/51/61	10/15/2028	12/15/2038	62/21/20	03/15/2029	03/15/2029	12/15/2013	12/15/2013	. 12/15/2013	.03/15/2029	.03/15/2029	.00/15/2029	08/20/2027	08/20/2027	.08/20/2027	Š		.01/01/2022	01/01/2032	91/91/202	64/61/2028	64/01/2039	04/01/2030	12/01/2024	12/01/2024	12/01/2024	.04/01/2025	.04/01/2025	00/01/20/20	09/01/2039	09/01/2039	12/01/2028
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2	>						of Purchaser	Oliger	-			Раубови	÷		i	Paydom	1	÷	Paydons	L	<u>.</u>	٠.	١.,	Dardown		÷	raydown	-	1	-	<u>.</u>	reputed	·i	<u></u>	-	·•••	÷	٠	٠.	Paydown Dawdown	٠.	Pardon		: :	_ `	Paydom			Paydorn				Paydovn	<u></u> -	i.	<u>i.</u>	Paydown	Paydona	Partéana	Paydora		Paredon.	
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2							Description	4.0004 09/06/13	61 08/06/13	5,000\$ 12/15/28	5,0001 12/15/28	5,000\$ 12/15/28	5,500 12/15/28	6.500h 12/15/28	65004 12/15/28	6.50m 65/15/28	5.500 to (5) to (5)	5,3009 43/13/23	5.000 12/15/19	& max 52/15/13	500 m/5/20	Spok 83/45/20	Char have ma	15055 600000	CONTRACTOR (CALCA)	CONTRACTOR 100 100 100 100 100 100 100 100 100 10	4 TACK 19/20/2/	4.000 (2/00/13	UN USPUOVIS	6,300s 12/15/28	5,000% 12/ 13/28	2000 12 12/16	50 to 12 10 to 1	52/61/21 50/64	5.5003, 12/15/28	6.5005 03/15/29	2002 (20 12) 100 CO	6.200, US/12/12	5,300 12/13/13	3 8	Stort (2/5/20)	500k 03/15/29	500 00/15/29	625 08/20/27	1,625\$ 08/20/27	525\$ 08/20/27	0599999, Subtotal - Bonds - U.S. Governments		87 6.0008 01/01/32 ['S7 6.000K 01/01/32	.87 6,0001 01/01/32	4.6325 04/01/39	PHUC POOL 1 1,25224 4,6928 04/01/39	4.6921 04/01/39	38 4.500% 12/01/24	38 4.5001 12/01/24	38 4,5005 12/01/24	'39 4.000% 04/01/25	139 4,0301 04/01/25	139 4,0008 04/01/25	92 5,500t 09/01/38	SZ S.SAME USPUTASE	9573 6,500\$ 12/01/28
							Desc	FILE ACPICT BYD 4.00	4	200	12897	FOX. + 458970	47854	- 285	P.CO. # 478571	GNU POR 4 480377	FUEL = 4005//		1000004	Pro 6 450007	400713	400740	10.75	100	3		CANA PAIR R SECURE		9	FOX 1 455578	2500 A	FUL : 455379		1004	478.41	118884	1000	1500	1 460935/		400745	61.607	C1.709.	10000	GALA POOL # 050104	** POC # 080104	btotal - Bonds - L	SITORY	FRLUC SOLD FOOL # C62887	LUC GOLD POST, 1 CG26	EUC GOLD POOL # GGZ	PHLEC POIX # 1,12024	LUC POOL 4 SUZGR	PALIC POR. # 1,2024	SHUK (00) POOL # J11308	PHLUC 60LD POX. # J11338	UK 0000 P30. 1 31%	PALIC 000 POX 4 J11939	LIK 6000 POX # J111	UK 600 POL + 31%	20 20 20 20 20 20 20 20 20 20 20 20 20 2	* *	FAUX 60.0 FOX. 1 C19573
-	-				district	Ident-	ilication	313303-18-8 FF	313378-X8-8 FF	~~~	N 0-82-18078	~~~				5 7-10-10-10-10-10-10-10-10-10-10-10-10-10-				357 to 1.7 loa			*****	25.00.00.00.00.00.00.00.00.00.00.00.00.00	****	᠁.	5-00-000	*****	- 31300-18-8 FT	****					~	*****			~_	2020CT	_				36255-01-2	5225c-0.1-2	0599999. Sul	OPEN DEPOSITORY	312874-F4-5 PA	312574FT-5 PH				******					***				31200-16-4

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 4 Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

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hange In B	12	!	Current d Year's		fization)/	-								10	Ĭ	100	,							<u></u>		-							,			(8)	(3)	8	(7)	(28)	3 2	32	28.5	(3.27)	(2, 19	(4.332)	(886)	(6.24	1	(2.895)	63.73	(2.6	(1.05)	3,50	(247)	(30	
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8 9 10 Change In Book/Adjusted Carrying Value			Prior Year Book/	Adjusted	Carrying Value	33	\$8.00	5	38	110	8	38	3 3	6.180	5.276	5,785	88	Ţ	9.	7	,	4	v	\$	\$	139	4	618	14.	21	Ž	7	2,330	383	20,00	10 02	13,480	14,499	35,841	33, 105	11511	EX 21	200 53	136, 178	31 125		50.05	252.662	283,883	175 759	22.28	119.109	B. 25.	8.68	10,399	22.52	82
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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 4
Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

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2				1	name of Purchaser	Payrdorn	Paydown	Paydorn	Paydom	Paydorn	Paycent	Capaciti	Paydorn	Paydown	Paydown	Paydown	Paydorn	raydera	Paydorn	Paydown	Daylott	Pandom	Paydora	Personal	Paydown	Parétera	Paydosn	Paydorn	Paydorn	Paydosn	Paydorn	Рауфотп	Paydorn	Paydorn	rapoen	Paydorn	Partient	Pardora	Perdoxa	Paydotta	Paydown	Paysort	Payeorn	Pareture	Pavelant	NAME OF TAXABLE PARTY.	Caybell	Davidan	Payora	Pavitoria	гауман Рамбана	Pardom	Paydorn	Paydorn	Paydon	Раудота	Paydern	tho	Paydoms	Own
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ľ					Description	2233	60LD POOL # C52887	12021	17554	1 12024	0 000 4 111238	9 5	POC. # J11930	2 + J118	35.4	POX. 4 A88482	7 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	A 100.0	, 1935 1935 1935 1935 1935 1935 1935 1935	200	2	202307	/8838		788574 2	252945 6.3									10 COUNTY 01						479785 7,6			10000												721648 5.0			35260	1
						PLUC GRUP PRO	PHLIKE GOLD POO	PALIFIC POOR # 1,12/224	EXC POR. 4	HILLE POR # 1			PLUC GOLD POO	PALIC GOLD POD	PILIC COLD POD	FILIE COLD POD	UK GEU PO		CALLE COLD PAGE & C18575	Contraction and a Creek		Z F Local State	FILE POL + 7	FH.MC POX. 1-7	*	FILL POL # 25		*	**	•	*	8	8	Ž.	FORM PURE 1 20	į	•	-	*	FINE POR # 47	**	ž	THE POST OF		2	3	2 8		2	į	2 2	2	8	**	FAM. POOL # 721	200 €	8	8	2 3	٠
-					<u> </u>	1					****										_	, 4			_		9	****	3	<u> </u>						7, %	? 17	. 17		9	q.	q, e			~~	·····					_			φ	****	*******				╗
_				S :	ification	312671-F4-5	31287N-F4-5	312841-69	3.28	31284	212000-12-2	2000	3,789	312894-39-1	3128914	312335-10-	312855-17	-/1-05-21	2 2000 TE	2002-16	90000	31200-10-0	31286-46-9	31285/-10-9	312567-107-9	313711 84	313718-84-0	313718-54-0	313711-5,1-9	373711-52-9	313711-51-6	31378111	31378	313/84-4	2.515/81-XI	313700.11	313789-15	38370-15	313724-15	313820-68	313820-68-6	333	1000	212821-6-6	2120/04	- 00000 to	- 5 100 C	11000000	100000	2120001-11	34014-30-	314011-10	3140TH-XC	311011-11-1	31401X-19-6	2140次中心	0-00:00	20000	0-00-00000	-10161 C

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter.

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			-	Number of	_			Adjusted					/Adjusted		Gain	÷	Total Gain	Dividends		Ė
		For- Disposal		Shares of	Consid-		Actual	Carrying				<u>.</u>	Carrying	•••••	(Loss) on	-	_	Received	`~	dicator
Description		eign Date	ate of Purchaser	Stock	eration	Par Value	Cost	Value	Decrease	Accretion	nized	13)	Value	Date	Disposal	Disposal	Disposal	-	7	(8)
FHU POR # 449272 4.50	4.5001 07/01/24		02/01/2012 Paydown		132 939	132,900	136, 161	55.12	0	(3.771)	0	(3.271)	9	32.90	0		9	i	07/01/2024	-
PXX # AUS772	4 5001 07/01/24	~~	03/01/2012 Paydown		755,567	58,837		31.125	9	(2, 189)	g	(2, 189)	· ·	. 88.837	- C	g	G	8.	01/01/2024	
FINA POR # ACSS1 4.00	4,000% 12/01/24	10/10.	01/01/2012 Paydown	***************************************	378,872	578,672	45,23	175,234		(4,32)	9	(4.322)	0	170,872	9	9	6	··	-570/10/21	
POC. # ACS881	1,000% 12/01/24		.02/01/2012 Paydom		23 003	29.023	40,013	40.013	0	(888)	0	(686)	-	38,023	9	ğ	0	<u></u>	12/01/2024	
FNUX POX. 1 AC6881 4.00	4,000\$ 12/01/24	710/807			246,415	246,415	252,562	252,682	- G	(6.247)	-i-	(6,247)		246,415	9		5	<u>.</u>	12/01/25/04	
POC. # ACS529	4.000% 12/01/24	710/10/	.01/01/2012 Paydom		28	28,383	20.20	8	4	14.68	,	(4.4%)	-	8 8	3			200	42/04/2004	
# AC8539	4.000% 12/01/24	10/201		-	172,762	172.762	175.73	15.78	9	2 32	-	105.7	-	175, 762	3	3 0	2	<u></u>	2001000	
POOL # ACESSE	4,000% 12/01/24		.03/01/2012 Paydom		28,49	25,494	22.38	20,28		100	-	(3,730)	4	20.00	2 0	2 0	3	<u></u>	12/01/2024	
POCK # AD2870	4,000% (3/01/25	10/10/1	.01/01/2012 . Pzydown		116 471	116,471	118, 108	201.811	- C	(2,53)	م م	(5,003)		1.60	4	2 0	3 6	٠	2007/10/20	
	4.60ct 03/01/25	710/207	02/01/2012 Paydorn		8	<b>5</b>	200	9 9	-	1.000	-	14 0261		100.37	2	1	2 0	٠	1 500,100,00	
-	£.000\$ 02/01/25	.03/01/	03/01/2012 . Paydonn		£ 52	25.288	20.5	8 8	0 4	1000	-	1000		8 20	-	-		·	11/01/2025	
	3.500% 11/01/25	10/10		***************************************	27,8	177.7	\$ 50.50	776.07	÷.	100		10707	-	25.00	· ·			٠	1,01,005	
	3,508 11/01/25	10/201	02/01/2012 Paydown		200,00	20,000	100,000	562	2 0	(30)		(308)		02.0	-	0		-	11/01/2025	
PMA PIX. 4 AE/S45 3.50	W 11/01/25	7	COUNTER STRUCTURE	†		77.7	, T. C.	27. 27	2		,				·	,	·	₩	2	ξ
Subtotal - Bonds - U.S. Special Revenues	<ol><li>Special Revent</li></ol>				6,066.220	6,066,233	6,233.408	6,233,458	0	(167,240)		(167.240)	0	6,056,220		n (	7	<b></b>	7	₹ ,
	2.590% 10/15/13	(51/16)	.01/15/2012 Paydown	-	38	27.596	27.919	27.774	0	- (Mg)	0	(8/1)	0 0	98.7	3			3 8	40/45/2013	å
	2.590% 10/15/13	9275,	02/15/2012 Paydown		4,652	28.5	9.7.6	4 682	-	(30)		1000		20, 70		) E	) C	25	1	i it
MEAN ASS (64-1 AS 1.674)	1.6701 01/21/14	VSI V10	91/15/2012 Faydown	-	27 300	57,757	072.50	CTF 90	-	042)		1741		24.355	0	0	0		<del>-</del>	μ
	1 670s 01/15/16	03/15/	02/15/2012 Pavdown			21.587	21.766	27.683	o	<b>58</b>	6	(89)	0	21,587	9	9	9		- ;	Ħ
- 83	3/25/16	•				38,486	142,489	142,489	0	(5,383)	0	(5,993)	0	136,486	g	9	6	1.716	7	H I
DOT ACS 09-4-53 2,5903	2 5903 10/15/13	01/15/	01/15/2012 Paydown		27.596	27,595	27,919	27.774	0	(877)	0	(178)	•	27,596	0	g	- Q		7	訊
4	2.590% 10/15/13		,02/15/2012 . Paydom		4.682	7.85	4.716	4,682	0	(36)	- G	8	9	4.662	0	8	9	25	04/15/2013	,
	1,670% 01/15/14	101/15	.01/15/2012 Paydown		72 K	2,72	25.50	78, 787	0	9	-	100	9 9	127 22			-	5 8	$\overline{}$	ļ,
	1,6701 61/15/14	.02/15			24,388	28,52	0,000	24,442	7 0	(65)	-	188	<u>.</u>	22,587		0		_	;	ļ Į
16.00 ANS CS-1 AS 1.670	1,6701, 01/15/14			-	750,12	700, 100	807 607	287 635		(5 003)	-	(5 503)	6	136 695		0	0		:	μ
SOCIOSO C. Market Dande Industrial and Miscallanaire (Traditional	State of Misson	Hood II allocate	Loofficted)	-		193 201	212 007	291 694	0	(12,832)	o	(12.832)	0	478,850	0	0	Ф	3.976	š	š
9300007 Total Bonds Dad 4	מפווגו מות ואופרה	ion canno io	Alamatecy		S 800 600	\$ 507 646	6 784 570	£ 777. 88.	c	(180,063)	0	(180,083)	0	5,597,588	0	2,894	2,894	48.594	š	š
Total Conde Date					Ž.	- AXX	XX	XX	XX	×	×××	XX	×	×	×	×	×	×	Š	š
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8399999, Iotal - Bonds					0, 5M, 462	0.737.040	0,104,3/0	0,117,004	7	100,000	,	100,000	,	2001	1				3	È
8999997, Total - Preferred Stocks - Part 4	ks - Part 4				0	ž		٥	2	3	2	2	-		200		7	,		{ }
8999998, Total - Preferred Stocks - Part 5	ks - Part 5			•	ğ	Š	XXX	X	×	ž	XX	ž	ž	ž	ž	* *	×	ź	3	ş
8999999. Total - Preferred Stocks	ks				0	×	0	٥	6	0	0	0	0	0	٥	0	0	ø	×	Š
9799997 Total - Common Stocks - Part 4	ks . Part 4				0	××	0	9	٥	0	6	0	0	0	0	0	٥	0	×	Š
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0800000 Total - Protorned and Common Stocks	Common Stroke	***************************************			8	XXX	0	0	9	0	0	0	8	0	0	0	0	c	××	Š
coocoo Tetele	Common Common				C 670 482	XXX	6 784 570	8 777 684	В	(180 083)	0	(180.063)	0	6.597.588	0	2.85	2.894	49.594	×	š
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## Case 2:11-cv-00225-KJD-PAL Document 67 Filed 09/13/12 Page 43 of 45

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open NONE

Schedule DB - Part B - Section 1 - Futures Contracts Open NONE

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made  ${\sf NONE}$ 

Schedule DB - Part D - Counterparty Exposure for Derivative Instruments Open  $\overline{\mathsf{NONE}}$ 

Schedule DL - Part 1 - Reinvested Collateral Assets Owned  $\overline{\text{NONE}}$ 

Schedule DL - Part 2 - Reinvested Collateral Assets Owned  $\overline{\text{NONE}}$ 

## Case 2:11-cv-00225-KJD-PAL Document 67 Filed 09/13/12 Page 44 of 45

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

## **SCHEDULE E - PART 1 - CASH**

Nonth End Depository Balances   S   Book Balance at End of During Current California Bank & Trust   San Diego, CA   During Current   During Current   Statement Date   First Month   Second More California Bank & Trust   San Diego, CA   During Current   Statement Date   Statement Date   First Month   Second More California Bank & Trust   San Diego, CA   During Current   Statement Date   First Month   Second More California Bank & Trust   San Diego, CA   During Current   Statement Date   First Month   Second More California Bank   York, PA   During Current   Statement Date   First Month   Second More California Bank   Statement Date   First Month   Second More California Bank   Statement Date   First Month   Second More California Bank   Statement Date   First Month   Second More Date California Date   First Month   Second More Date   First Month   Date California Date   First Month   Date California Date California Date   First Month   Date California Date   First Month   Date California D	Number 8  Third Month 317	9 .XXX.
Depository	8 Third Month 317 580,80 339 4,368,99 025 1,797,02 507 1,377,50	8 .xxx. 9 .xxx
Cali fornia Bank & Trust         San Diego, CA         0.000         908.443         684           # & T Bank         York, PA         0.250         106         2.964,517         1,221,           Met Is Bank         Harrisburg, PA         0.020         2.991         1,806,062         1,797,           Wells Fargo Bank         Sacramento, CA         0.250         2.567         1.377,508         1,377,           0199998. Deposits in         Depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories         XXX         XXX         11         178,449         180,           0199999. Totals - Open Depositories         XXX         XXX         4,775         0         7,234,979         5,260.           0299998. Deposits in         depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories         XXX         XXX         XXX         XXX         4,775         0         7,234,979         5,260.	317	8 .xxx. 9 .xxx
18 & T Bank	339 4,368,09 025 1,797,02 507 1,377,50	9 .XXX.
Matrix Bank	0251,797,02 5071,377,50	
	5071,377,50	4 L.XXX.
exceed the allowable limit in any one depository (See instructions) - Open Depositories		
029998. Deposits in depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories XXX XXX	012 168,85	3 xxx
instructions) - Suspended Depositories XXX XXX	200 8,292,29	
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0299999. Totals - Suspended Depositories XXX XXX 0 0 0 0	0	0 XXX
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0599999. Total - Cash XXX XXX 4,775 0 7,235,179 5,260	.400 8,292,49	1 XXX

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY  SCHEDULE E - PART 2 - CASH EQUIVALENTS  Show Investments Owned End of Current Quarter	PF THE PRINCE OF THE OWN	THE 1, 2012 OF THE LINCOLN GENERAL E - PART 2 - CASH EQUENT Show Investments Owned End of Current Quarter	EQUIVAL	ANCE COMPAI ENTS	<b>}</b>	Recommend of		
Proceedings	2 Code	3 Date Acquired	4 Rate of interest	5 Maturily Date	8 Book/Adjusted Carving Value	7 Amount of Interest Due and Accrued	8 Amount Received Buring Year	
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